



MERD CORPORATION - (MERCO)

CAMARILLO • SAN DIEGO • BURBANK • BOSTON • SALT LAKE CITY

Corporate Office
P. O. Box 722
Camarillo, CA 93010
Phone (805) 484-2213

1115 South Main Street
Salt Lake City, Utah 84115
Phone (801) 484-7621

May 24, 1978

Mr. Charles Horgsborg
District Geologist
Bureau of Land Management
Richfield District
Richfield, Utah

Dear Mr. Horgsborg:

On April 7, 1978 the Merd Corporation entered into an agreement with the Sapphire Corporation, 1884 Harrison Avenue, Salt Lake City, to operate their Spectrum Claims (the Spectrum Claim and Spectrum Claims numbered one through six), Antelope Mountain, Millard County.

It is the intention of the Merd Corporation to produce decorative and dimension stone from these claims.

It is our intention to exploit this resource with minimal impact on the environment.

At present we are cleaning up and equipping the quarry.

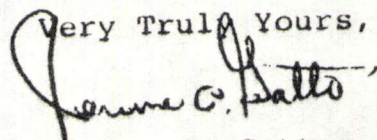
I would like to suggest that in the near future I, Mr. Dale Minyard, our mining manager and a consultant of ours, Dr. James Whelan, Professor of Geology, University of Utah meet with your field people, on site, to discuss our operation.

Mr. Charles Horgsborg
May 24, 1978
Page 2

It may be desirable to coordinate this visit with a member of the Utah State Oil, Gas, and Mining Commission.

Dr. Whelan will call you and discuss this matter with you.

Very Truly Yours,



Jerome C. Gatto
Executive Vice President

JG/llj

cc: P. Howard
Sapphire Corp.
C. Hawkins
C. Burns